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DE RUEHDK #1787/01 2061623
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FM AMEMBASSY DAKAR
TO RUEHC/SECSTATE WASHDC PRIORITY 5852
INFO RUEHLMC/MCC WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEHZK/ECOWAS COLLECTIVE
RUCPDOC/USDOC WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 DAKAR 001787

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STATE FOR EB/IFD/ODF, DRL, AF/EPS, AF/RSA AND AF/W
MCC PLS PASS TO DEPUTY CEO BENT
NSC FOR AF SENIOR DIRECTOR COURVILLE

E.O. 12958: DECL: 07/25/2016

TAGS: [EAID](#) [PHUM](#) [ECON](#) [KDEM](#) [KMCA](#) [SG](#)

SUBJECT: SENEGAL,S MCA TEAM HOSTS CIVIL SOCIETY FORUM; MCC
DEPUTY CEO BENT ATTENDS AND CALLS ON PRIME MINISTER

REF: A. DAKAR 01740

[1B.](#) DAKAR 01204

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Classified By: Ambassador Janice L. Jacobs for reasons 1.4 (b) and (d).

¶1. (C) Summary: On July 10, the Government of Senegal,s (GOS) &Agence pour la Mise en Oeuvre du Plateforme de Diamniadio8 (AMPMD), brought together representatives from civil society, the private sector, local government and donors to discuss Senegal,s compact development to date, solicit feedback and encourage participation in the process. This event coincided with the visit of Millennium Challenge Corporation (MCC) Deputy CEO Rodney Bent, who visited Senegal to learn more about Diamniadio and to meet with Government of Senegal (GOS) leadership. In her opening remarks, extensively covered by local media, Ambassador Jacobs lauded Senegal,s recent political and economic reforms but stressed the need for the Government to stay the course in terms of greater transparency in the management of its affairs. In his July 11 meeting with Prime Minister Macky Sall, Bent recognized Senegal,s progress and stressed cooperation. Sall stressed the Government,s commitment to elections in February 2007. We doubt that the GOS grasps that a Compact may not be signed before those elections. END SUMMARY.

¶2. (U) As part of the compact development process, Millennium Challenge Account- (MCA-) eligible countries must engage civil society and other stakeholders in order to assure greater success and sustainable project results. To this end, the July 10 event -- the fourth such meeting organized by Senegal,s MCA team -- was scheduled to coincide with a visit of MCC staff and an Office of Management and Budget representative. Key players came to comment on the status of the Diamniadio project, an ambitious infrastructure proposal with the potential to raise annual GDP growth to nearly eight percent, thus meeting Senegal,s Millennium Development Goal of halving poverty by 50 percent by 2015. Through lively discussions, participants shared their hopes, fears, opinions and expectations, and provided recommendations.

¶3. (U) In her opening remarks, Ambassador Jacobs stressed the importance of civil society and good governance. She praised the GOS for recently affirming that elections will go forward as planned in 2007, as well as taking steps to strengthen the judiciary. In his remarks, Cheikh Hadjibou Soumare, Junior Minister for the Budget, emphasized the importance of private and public sector involvement in

achieving the desired outcomes for the platform. MCC Deputy CEO, Rodney Bent, thanked AMPMD for organizing the event and underlined the profound potential of the proposal, which has been cited as one of the most ambitious MCA projects. He also stressed the importance of broad participation and partnership.

STAKEHOLDER CONCERNS

¶4. (U) Locally elected officials, civic associations and agricultural/producer collectives expressed their admiration for the project and called for:

-- Greater, more coherent and institutionalized involvement of women's groups, civil society and locally elected officials from all over Senegal in the MCA process. They highlighted that the Diamniadio platform should be a central, shared asset, serving the entire country, not just the greater Dakar region;

-- Financial and material support for the informal sector as well as small-scale fishing, agriculture and production. APMPD Director Habib Mbaye confirmed that USD 60 million in financing would be available for SMEs, however, a plan on how this money will be spent is still in the works.

-- Equitable employment creation and job training in order to avoid discontent and illegal emigration. In the current proposal, there is no provision for vocational training to improve the skills of local youths and of the general population. AMPMD is in the process of amending the proposal to include such training and it has received the MCC's blessing to do so;

-- Vigilant monitoring of land and housing issues with the likely coming real estate boom. Again, the mechanics of this huge undertaking remain a work in progress, and land issues

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need to be resolved before moving forward;

-- More clarity about the compact development process in order to guide private investors. Some individuals also suggested tailored AMPMD project presentations for audiences from all over the country in order to ensure transparency and more buy-in; and

-- Full, equitable access for the handicapped. This is the first time this concern was raised in this type of forum and AMPMD is currently thinking about how to address it in the proposal.

MEDIA COVERAGE

¶5. (U) The Civil Society forum was widely covered by local press, which quoted extensively from the Ambassador's speech. Media focused on government accountability to the governed, civil society's key role in development, and the need for MCA projects to take into account the views of those they will affect. Press also reported on her praise for reforms and progress made by GOS, most notably the recent announcement by the Interior Minister that elections will proceed as planned in 2007.

MEETING WITH PRIME MINISTER SALL

¶6. (C) On July 11, when the Ambassador, Deputy CEO Bent, Office of Management and Budget Deputy Associate Director Robert Goldberg, MCC Country Director for Francophone Africa Madolyn Phillips, MCC Program Officer Sarah Leddy and DCM called on Prime Minister Sall, Acting Foreign Minister Claude Absa Diallo and AMPMD Director General Habib Mbaye, Bent said the team had enjoyed a &magnificent8 visit, including lively, informative and very frank discussions with civil society. He noted that the plans for Diamniadio are ambitious and complex, with questions about the toll road,

the source of electricity, water, waste management and environmental management still unresolved. Bent added that the financing plan and vocational training also remain to be developed. The Prime Minister, however, failed to take the hint that the Compact might not be signed this year. He said that consultations from the outset had laid the foundation for the surveys and a Compact by December. Addressing each of Bent's points, Sall said the toll road is being financed in part by the Government; he insisted that financing, roads, water and sanitation are all being addressed. Sall acknowledged that electricity is &a big handicap.⁸ He said Senegal is working to diversify its sources of supply and knows that the Diamniadio platform will need at least 100 megawatts. He concluded that the GOS has respected the MCC's criteria.

¶7. (C) Sall focused on democracy, however, devoting most of the 35-minute meeting to assuring the MCC team and the Embassy that the presidential and parliamentary elections will take place as scheduled on February 25, 2007. He underscored that Senegal has a tradition of freedom of speech, freedom of the press and transparent elections. Sall said Senegalese are satisfied with their institutions, and, rumors notwithstanding, there will be no delay in the elections. He noted that Senegal is returning to its old practice of holding presidential and parliamentary elections on the same day.

¶8. (SBU) Bent responded that he was impressed by Senegal's political richness. He added that the technical work on the Diamniadio projects is impressive and that the MCC is committed to moving as quickly as it can. He said the MCC wants to leave behind a well implemented, well considered project. He stated that he appreciated Senegal's ambition. Sall concluded that the GOS will do its best to perform, fight poverty, democratize and develop, investing in greatest resource) its people) through education and vocational training.

NEXT STEPS

¶9. (C) The 609(g)-financed studies should be complete in September. AMPMD now needs to focus on completing due diligence on the project and putting in place its board of directors, as required by the MCC. Mbaye had previously informed Econoff that the board would be headed by the Prime Minister or the Foreign Minister, with whom he is in discussions concerning the membership. He said that we could

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expect a Board to be in place by late July, noting that his team is seeking a balance between high-level representation and technical working group meetings. Many of the fundamental issues that Bent raised with the Prime Minister and which are beyond AMPMD's mandate, remain unresolved, however.

¶10. (U) The &Conseil des Organizations Non-gouvernementales d'Appui au Developement⁸ (CONGAD), an umbrella NGO organization, is now in the process of organizing a follow-up civil society event with even wider participation that will include stakeholders from all over Senegal. This event is tentatively scheduled to take place in mid-August.

COMMENT

¶11. (SBU) Mbaye announced at the civil society forum that he and his team will continue to tour the country to communicate the importance of the Diamniadio project as well as hold day-long forums in Diamniadio itself to consult with the local population. With parliamentary and presidential elections in February 2007, it will be important to ensure that electoral politics do not creep into the MCA process. President Wade, Prime Minister Sall, Foreign Minister Gadio and Director General Mbaye have previously emphasized the importance of getting a Compact signed this year for

political reasons, stating that Wade needs it before the elections in order to demonstrate the realization of his promised vision. We continue to stress the importance of the project for economic growth to benefit the people as a whole.

We will monitor the tone of the ongoing dialogue with civil society as well as with other project stakeholders. We do not believe the Senegalese yet realize that a Compact may not be signed this year. END COMMENT.

JACOBS